



MARKETPLACE: Shlomo Maital

The Kibbutz at 100

HUNDREDS OF MEMBERS OF THE KIBBUTZ movement gathered March 31 in the Founders' Hall of Kibbutz Degania to mark its 100th birthday. Degania, located at the southern tip of the Sea of Galilee, was the very first kibbutz.

The World Zionist Organization bought the land for Degania in 1909 from a Persian family that lived in Beirut, and then handed it over to a workers' commune. Among those who once lived at Degania were the poet Rachel, the "prophet of labor" A.D. Gordon, and the military hero of Tel Hai, one-armed Joseph Trumpeldor. Moshe Dayan was born in Degania, only the second child to be born on a kibbutz.

Among the participants was President Shimon Peres, himself a founder of Kibbutz Alumot, located atop a hill that overlooks Degania. Peres said he missed kibbutz life – "hikes before dawn, wrinkled khaki clothing, the flowerbeds, the animal pens and chicken coops, the stars born with the dawn..."

The century mark is a good milestone at which to look back at the kibbutz movement's successes and failures, and to look forward to its future.

In his 1945 book "Paths in Utopia," philosopher Martin Buber noted famously that the kibbutz is an experiment that "has not failed." What he meant was, unlike other instances of utopian "socialism" which had failed miserably (e.g. the USSR), the kibbutz had not. Always cautious, Buber did not say that it had succeeded.

The kibbutz both failed and succeeded. They succeeded because they played a crucial role in building the State of Israel. Degania stopped a Syrian attack in May 1948; an old Syrian tank remains, as a monument, at the kibbutz's gates. Some 200 of the 800 army casualties in the Six Day War were soldiers from kibbutzim.

But the kibbutz failed when its collectivist value system was trampled under the wheels of "it's all about me" global capitalism. Today, there are 262 kibbutzim with a total population of only 106,000, including 20,000 children. Of those, 65 remain traditionally collective while 188 (72 percent) have been fully privatized (members earn different salaries, own their houses, and pay for services). Nine have been partly privatized.

I believe there are two separate causes for the decline of the kibbutz, one internal, the other external. Internally, the kibbutz movement chose to treat university education as an enemy, luring its youth away. This was a huge error. It meant many young people who wanted college degrees had to leave the kibbutz in order to study.

Externally, in the 1970s and early 1980s the banks lured kibbutzim to take huge loans they were unable to repay. Inflation reached 1,000 percent in 1984-5. The kibbutzim's debts were all linked to the Consumer Price Index, hence they ballooned without underlying assets to help pay them. By 1988 the kibbutzim owed \$3.1 b. The indexed debt doubled and tripled. By 2000 nearly half the kibbutzim were broke, still saddled with debt they could not pay back. For Degania, the debt crisis was nearly fatal. During 1976-83, almost no kibbutz members left; but in the crisis years of 1984-86, almost half

the young people did not return after army service.

Imri Ron, a kibbutz movement leader from Kibbutz Mishmar Ha'emek, notes that the banks eventually wrote off 20 b. shekels (\$5.4 b.) in kibbutz debts – but observes, in the online news magazine Ynet, that the debt burden kept kibbutzim from "investing, innovating, developing" for 15 years (because they had no access to new credit), and wishes the write-off had come a decade sooner.

Many kibbutzim have reinvented themselves. They have leveraged the desire of many city-dwellers for a better quality of life by offering plots of land for luxury neighborhoods. Nearly half the kibbutzim have implemented such "expansions." Owners of the houses usually do not join the kibbutz, but pay for kibbutz services like child care.

Degania, too, has evolved. It has a dairy herd of 350 cows, along with almonds, bananas, and date and avocado orchards. But it also has industry – Degania Sprayers and Degania Silicone. It has a guest house and offers bicycle tours.

The late Likud leader and prime minister Menachem Begin once called kibbutz members "swimming pool millionaires." If he were alive, he might be surprised to learn that a few of the kibbutzim have cracked the riddle of "socialist capitalism" by making each member, literally, a millionaire, through highly successful industrial companies. (See *The Report: "The Little Kibbutz that Could," September 29, 2009.*)

Six of these 'capitalist' kibbutzim have annual revenues of 550 m. shekels (\$150 m.) or more: Sasa (armor protection for military vehicles), Gan Shmuel (foods, juices), Maagan Michael (sanitary equipment), Mishmar Ha'emek (plastic), Shamir (optics, non-woven textiles) and Ma'abarot (baby food). Only one of them, Shamir, has privatized. The rest are socialist, sharing wealth equally among members. And according to the business daily The Marker, four kibbutzim have made profitable "exits," selling their companies for huge sums and distributing tens or hundreds of thousands of dollars to each member: Shefayim, Givat Haim, Lochmei Hageta'ot, and Netiv Halamed Hei.

Growing numbers of young urban Israelis are seeking the quality of life kibbutzim offer. And growing numbers of children of former kibbutz members are returning. As we view the scorched earth left by self-serving American-style capitalism during 2007-9, kibbutz ideals of cooperation, neighborly help, mutual responsibility, sharing, patriotism and service seem increasingly attractive.

Author Norman Mailer said of kibbutzim, "the function of socialism is to raise suffering to a higher level." And capitalist author George Gilder wrote, "if government could create jobs and raise children, socialism would have worked."

But in the end, centenarian Degania and the other kibbutzim may yet have the last laugh. The kibbutz experiment has not yet failed. ●

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